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Title : Regarding need to charge reduced rate of interest on Agricultlural loans taken by the farmers of flood-affected areas in Andhra Pradesh.

SHRIMATI D. PURANDESWARI (BAPATLA): The state of Andhra Pradesh ahs been severely affected by heavy floods during this year. This has led to a situation where farmers have to borrow money from village money lenders at exorbitantly high rate of interest.

Presently, the poor and honest farmers, who are already debt − ridden have to go through a complex procedure for securing loans from banks by keeping their land as collateral.

This is a very peculiar situation, because in urban areas, housing and car loans are sanctioned very easily, whereas farmers have to walk long distances on foot to the nearest bank several times, before a loan is granted.

Rate of interest on urban housing loans is 7.5 per cent, while farmers pay an average of 9.5 per cent interest.

I request that the rate of interest on agriculture loans for farmers be reduced at least for this year to 7.5%.